

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

June 23, 2016

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, June 23, 2016, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. John Pagliarini, Mr. Lee Mercer, Mr. Richard DeMerchant, and Ms. Antonietta Falconi.

The following Directors were absent: None

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, and Tom Moses, Esq. of Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:30 a.m.

2. Approval of the Minutes of the Meeting held on April 28, 2016

The first item to come before the Board was the approval of the Minutes of the Board meeting held on April 28, 2016. A motion was duly made by Mr. Mercer and seconded by Ms. Falconi to approve the Public and Executive Session Minutes of the meeting noted above as presented.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

3. Maintain the Executive Minutes of the April 28, 2016 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on April 28, 2016. Upon motion duly made by Ms. Falconi and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

4. Report of Cash Position as of March 31, 2016

Staff asked if there were any questions or comments regarding the Cash Report for the period ended May 31, 2016 (Exhibit A). There was no discussion regarding the report.

5. Delinquency Loan Report as of June 20, 2016

Staff asked if there were any questions regarding the Loan Delinquency report dated June 20, 2016 (Exhibit B). There was no discussion regarding the report.

6. Brownfields Cleanup Revolving Loan Fund- Providence Water Board \$150,000 Grant

Mr. Price provided board members with a memorandum (Exhibit C) outlining the details of the request. He noted that the grant had previously been approved to complete remediation of what is known as the Tasca Field site in December of 2002, however the remediation was never completed and the funds were not released. The issue has now come up again and the site will be remediated in the near future. Staff recommends releasing of the funds associated with the original approval. There was some discussion about the original approval regarding whether the funds were to be in the form of a grant or a loan and Mr. Price indicated the funds were always intended as a grant. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the motion to approve a \$150,000 grant to the Providence Water Board was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

7. Executive Session

Mr. Fogarty suggested that the Board move into Executive Session to discuss the loan requests. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(1), 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

Public Session concluded and Executive Session began at 9:58 a.m.

8. Executive Session Vote Ratification

Mr. Fogarty called for a ratification of the votes adopted during Executive Session. Upon a motion duly made by Ms. Falconi and seconded by Mr. Pagliarini, the following votes were ratified:

- (a) To approve the request from Thermal Solution Resources, LLC for a loan in the amount of \$350,000, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

- (b) To seal the Executive Session Minutes.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

Mr. Fogarty inquired about a loan which had been approved at a prior meeting to Atlantic Produce. Staff noted that the principal of the company recently had some legal issues which were not disclosed during the underwriting process and that this individual had stepped down but still held an equity interest in the business. Mr. Ash noted that there was no prior knowledge of these legal issues and that the loan had not been funded by SBLFC. Board members asked that this issue be placed on upcoming agendas so that they could be updated regarding next steps.

Adjournment

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

The meeting was adjourned at 10:31 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary